Boosting the Steel Industry

1057. SHRI BHAGATRAM MANHAR: Will the Minister of STEEL be pleased to state:

(a) whether the Steel industry is going through a lean period and Government plan to provide fiscal incentives, to boost the steel industry;

(b) how much has been spent on research and development out of the Steel Development Fund; and

(c) what are Government's plans to ensure that the money being spent leads to better quality of steel?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJKISHORE TRIPATHY): (a) Yes, Sir. The Government has announced certain measures in the Railway Budget 2002-2003 and the Union Budget 2002-2003 to help the domestic steel industry, which include (a) reduction in rail freight costs for transporting finished steel, (b) increase in basic customs duty on seconds and defectives steel to the bound rate of 40%, (c) reduction in Customs Duty by 10% on a number of refractory raw materials to reduce production costs in steel industry, (d) exemption of HRSS coils for coin blanks from Custom Duty, (e) reduction of Custom Duty on HRGO/HRNGO by 10%, (f) public investment in key infrastructure sectors has been increased to boost the growth of the core sectors, (g) reduction of Custom Duty on Metcoke for COREX units from 15% to 5%.

(b) A sum of Rs. 58.99 crores has been released from the Steel Development Fund (SDF) since 1997-98 for research and development activities including improvement of quality of steel.

(c) Monitoring of the R&D projects is done by the Empowered Committee functioning under the chairmanship of Secretary (Steel). However, the quality of steel depends upon several factors like the technology and raw materials used, operational expertise, innovative programmes and systems available in the respective steel plants etc.